

Adopted

Rejected

## MINORITY COMMITTEE REPORT

### MR. SPEAKER:

*A minority of your Committee on Ways and Means, which met on January 30, 2007, to consider House Bill 1370, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, delete lines 6 through 17.
- 2 Page 2, line 1, delete "(e)" and insert "(b)".
- 3 Page 2, line 3, delete "(f)" and insert "(c)".
- 4 Page 2, line 4, delete "clean" and insert "**alternative**".
- 5 Page 2, line 10, delete "(g)" and insert "(d)".
- 6 Page 2, line 10, delete "clean" and insert "**alternative**".
- 7 Page 2, line 13, delete "(h)" and insert "(e)".
- 8 Page 2, line 15, delete "(i)" and insert "(f)".
- 9 Page 2, line 21, delete "clean" and insert "**alternative**".
- 10 Page 2, line 23, delete "(j)" and insert "(g)".
- 11 Page 2, line 24, delete "clean" and insert "**alternative**".
- 12 Page 2, delete lines 26 through 28, begin a new paragraph and

1 insert:

2 "SECTION 2. IC 6-3-3-13 IS ADDED TO THE INDIANA CODE  
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2008]: **Sec. 13. (a) As used in this section, "clean fuel  
5 vehicle" means an electric vehicle or a hybrid vehicle. The term  
6 does not include a golf cart vehicle.**

7 **(b) As used in this section, "electric vehicle" means a motor  
8 vehicle with one (1) or more electric motors for propulsion.**

9 **(c) As used in this section, "hybrid vehicle" means a motor  
10 vehicle that:**

11 **(1) draws propulsion energy from both an internal  
12 combustion engine and an energy storage device; and**

13 **(2) employs a regenerative braking system to recover waste  
14 energy to charge the energy storage device that is providing  
15 propulsion energy.**

16 **(d) As used in this section, "residual value" means the estimated  
17 value of a vehicle upon expiration of a lease, as established at the  
18 beginning of the lease agreement and used in calculating the  
19 lessee's monthly lease payments.**

20 **(e) A credit provided in this section is a refundable credit  
21 against the individual's adjusted gross income tax liability imposed  
22 by IC 6-3-1 through IC 6-3-7.**

23 **(f) Subject to the limitations set forth in this section, an  
24 individual who purchases or leases a new clean fuel vehicle is  
25 entitled to a credit under this section for the taxable year in which  
26 the individual purchases or begins to lease the vehicle. Subject to  
27 subsections (g) and (h), the amount of the credit is equal to one  
28 thousand dollars (\$1,000).**

29 **(g) An individual who leases a new clean fuel vehicle is entitled  
30 to a credit equal to the amount determined under STEP FIVE of  
31 the following formula:**

32 **STEP ONE: Determine the value of the vehicle as listed in the  
33 lease agreement and negotiated by the dealer and the  
34 purchaser.**

35 **STEP TWO: Determine the residual value of the clean fuel  
36 vehicle.**

37 **STEP THREE: Subtract the STEP TWO amount from the  
38 STEP ONE amount.**

**STEP FOUR: Divide the STEP THREE result by the STEP ONE amount.**

**STEP FIVE: Multiply the STEP FOUR result (rounded to the nearest ten-thousandth (0.0001)) by one thousand dollars (\$1,000).**

**(h) An individual who:**

**(1) claims a credit under this section for a leased clean fuel vehicle; and**

**(2) purchases the leased clean fuel vehicle at the end of the lease term;**

**is entitled to a credit under this subsection for the taxable year in which the leased clean fuel vehicle is purchased. The amount of the credit provided under this subsection is equal to the result obtained by subtracting the credit claimed by the individual under subsection (g) at the beginning of the lease term from one thousand dollars (\$1,000).**

**(i) The aggregate number of credits that may be allowed under this section in a particular state fiscal year may not exceed two thousand (2,000) credits. However, credits claimed under subsection (h) may not be considered in determining the number of credits that may be allowed under this subsection.**

**(j) The department shall develop and implement a system that informs the citizens of Indiana of the availability of a credit under this section before the sale or lease of a clean fuel vehicle for which the individual may claim a credit under this section.**

**(k) To obtain the credit provided by this section, an individual must:**

**(1) claim the credit on the individual's state tax return or returns in the manner prescribed by the department; and**

**(2) submit to the department proof of all information that the department determines is necessary for the calculation of the credit.**

**(l) An individual is not entitled to a credit under this section if the clean fuel vehicle for which the credit is being claimed was purchased for the purpose of resale or lease.**

**SECTION 3. [EFFECTIVE JANUARY 1, 2008] IC 6-3-2-21 and IC 6-3-3-13, both as added by this act, apply to taxable years beginning after December 31, 2007."**

- 1        Renumber all SECTIONS consecutively.  
         (Reference is to HB 1370 as introduced.)

**and when so amended that said bill do pass.**

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Representative Espich